

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

UNSTARRED QUESTION NO:325
ANSWERED ON:24.07.2001
LOSSES OF FCI OBSERVED BY CAG
VSM (RETD.) COL. CHOUDHARY

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether it is a fact that Comptroller and Auditor General of India in his report for the year ending 31st March, 2000 has observed huge losses of several hundred crores of rupees in Fertilizer Corporation of India Limited and Hindustan Fertilizer Corporation Limited;
- (b) if so, the facts of the matter brought out by CAG in his report;
- (c) whether the Government propose to order high level probe to ascertain major reasons for such whopping losses by the Department of Fertilizer;
- (d) if so, the details in this regard; and
- (e) if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS (SHRI S. B. MOOKHERJEE)

(a) & (b) Yes, Sir. The Comptroller and Auditor General of India in his Report No. 1 of 2001 (PSUs) for the year ending 31st March, 2000 has shown accumulated loss of Rs. 5904.11 crore and Rs. 4192.97 crore in Fertilizer Corporation of India Ltd. (FCI) and Hindustan Fertilizer Corporation of India (HFC), respectively.

(c) to (e) Does not arise as FCI and HFC have consistently incurred losses due to technological obsolescence, design and equipment deficiencies, power shortages, industrial relations problems, surplus manpower and resource constraints and were declared sick by Board for Industrial and Financial Reconstruction in November, 1992.